

**Official Record Copy**  
**Office of Personnel**

OP MEMORANDUM NO. 20-31-19

11 December 1981

OFFICE OF PERSONNEL MEMORANDUM

SUBJECT: Salary Retention for General Schedule Employees

REFERENCE:

RESCISSION: OPM NO. 20-31-29  
OPM NO. 20-31-17

1. GENERAL

This memorandum defines grade and pay retention policies and procedures for General Schedule employees.

2. DEFINITIONS

- a. Saved Rate (Grade Retention) - A rate paid for two years to an employee whose position has been reduced in grade as a result of reorganization or as a result of reclassification action. During the two-year period, the employee's grade is not reduced.
- b. Retained Rate (Pay Retention) - A rate paid without any specific time limitation to employees whose rate of basic pay would otherwise be reduced as a result of the expiration of the two-year period of Saved Rate; as a result of the reduction or elimination of special pay rates; or as a result of the placement of an employee into a non-special pay rate position or into a lower special pay rate position.
- c. Highest Previous Rate - The highest rate of basic pay previously paid to a General Schedule employee. This rate is used, without specific time limitation, when an employee requests a reassignment to a lower-graded position and an Agency official determines that the need for the services of the employee or the employee's contribution to the program of the Agency will be greater in the position to which assigned. New appointees to the Agency with previous Federal service at a higher grade will be processed

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3. APPLICATION OF DESIGNATIONS FOR NON-STANDARD RATES

a. Saved Rate (Grade Retention) - Step "S"

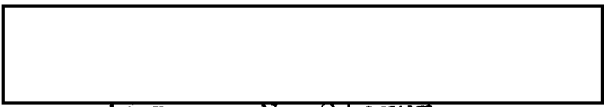
- (1) The existing rate of pay is granted as a Saved Rate when an employee's position is reduced in grade as a result of reorganization or as a result of reclassification action. If an employee's position is reclassified at a lower grade level, the position must have been at the higher grade for one year or more for the employee to be eligible for Grade Retention.
- (2) Saved Rate provides for a two-year period of grade retention. While in the two-year grade retention period, an employee's actual grade is not lowered and he or she is entitled to annual pay comparability increases and within grade increases.
- (3) If during the two-year period of Grade Retention, an employee is further reduced in grade the employee shall retain the previous retained grade for the remainder of the two-year Saved Rate period.
- (4) Grade retention ceases to apply to an employee who:
  - Is reduced in grade for personal cause or at their personal request;
  - Declines a reasonable offer of a position, the grade of which is equal to or higher than the employee's retained grade.
- (5) An employee is granted a Saved Rate Step "S" by a "Pay Adjustment Action -- Step Rate Change" carrying a NTE date of two years. A Saved Rate is terminated two years from the effective date of the personnel action or when the employee moves to another position.

b. Retained Rate (Pay Retention) - Step "R"

- (1) An employee becomes eligible for a Retained Rate as a result of:
  - The expiration of a two-year period of Saved Rate;
  - A reduction or elimination of a special pay rate;

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- The placement of an employee into a non-special pay rate position or into a lower special pay rate position.
- (2) If the employee's rate of basic pay immediately before eligibility for Retained Rate exceeds the maximum rate of the new grade, the Retained Rate is limited to 150 percent of the maximum rate of the grade in which the employee is placed. During this Retained Rate period, the employee is not entitled to within-grade increases but is entitled to receive 50 percent of annual pay comparability increases. Therefore, the rate of pay for the grade of the employee's position will eventually match the employee's Retained Rate.
- (3) Retained Rate shall not apply if the employee's rate of basic pay before the eligibility for Retained Rate is equal to or falls between two consecutive rates of the new grade. An employee shall be placed in the higher of the two rates if the new rate falls between two consecutive rates.
- (4) Retained Rate ceases to apply to an employee who:
- Has a break in service of one workday.
  - Is demoted for personal cause.
  - Is placed in or declines a reasonable offer of a position which has a pay rate equal to or higher than the Retained Rate.
- (5) An employee is given a Retained Rate Step "R" by a "Change to Lower Grade" action. Because this is considered to be an adverse action, managers are required to consult with the Chief, Special Activities Staff, Office of Personnel at least one month before the proposed action is to be effected. A Retained Rate is terminated when the rate of pay for the grade and step the employee is in is equivalent to the employee's Retained Rate.

  
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